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Value-Driven Share-Driven Price-Driven Deliverables or **Deliverables Deliverables** or components components where or components the period-to-period where the period-towhere the period-to-ASP trend is zero period ASP trend is period ASP trend is negative and the or positive negative and the slope is zero slope is also or negative negative + 14 16 0 0 12 11 1994 1996 1998 1992

Figure 1

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<u>20</u>	S1 Delta Period to Period Deliverable ASP >=0	S2 Delta Period to Period Deliverable ASP < 0 & Flat Growing	S3 Delta Period to Period Deliverable ASP < 0 & Declining
C1 Delta Period to Period Component ASP >=0	Solution Value-Driven Zone 22	Component Value-Driven & Deliverable Price-Driven Zone	Component Value-Driven & Deliverable Share-Driven Zone
C2 Delta Period to Period Component ASP < 0 & Flat	Deliverable Value-Driven & Component Price-Driven Zone	Solution Price-Driven Zone 24	Component Price-Driven & Deliverable Share-Driven Zone
C3 Delta Period to Period Component ASP < 0 & Declining	Deliverable Value-Driven & Component Share-Driven Zone	Deliverable Price-Driven & Component Share-Driven Zone	Solution Share-Driven Zone 26

Figure 2

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<u>20</u>	S1 Delta Period to Period Deliverable ASP >=0	S2 Delta Period to Period Deliverable ASP < 0 & Flat	S3 Delta Period to Period Deliverable ASP < 0 & Declining
C3 Delta Period to Period Component ASP >=0	Solution Value- Driven Zone Significant Value Proposition-Profit likely and Primarily Value Dependent 22	Component Value-Driven & Deliverable Price- Driven Zone Component Value Proposition - Profit Possible	Component Value-Driven & Deliverable Share -Driven Zone Low Deliverable Value Proposition Profit Limited
C2 Delta Period to Period Component ASP < 0 & Flat	Deliverable Value-Driven & Component Price -Driven Zone Deliverable Value Proposition-Profit Possible	Solution Price- Driven Zone Value Proposition not Significant Profit Primarily Cost Dependent 24	Component Price-Driven & Deliverable Share -Driven Zone No Deliverable Value Proposition -Profit Difficult
C1 Delta Period to Period Component ASP < 0 & Declining	Deliverable Value-Driven & Component Share-Driven Zone Low Component Value Proposition -Profit Limited	Deliverable Price-Driven & Component Share-Driven Zone No Component Value Proposition -Profit Difficult	Solution Share-Driven Zone No Value Proposition- Profit Unlikely 26

Figure 3

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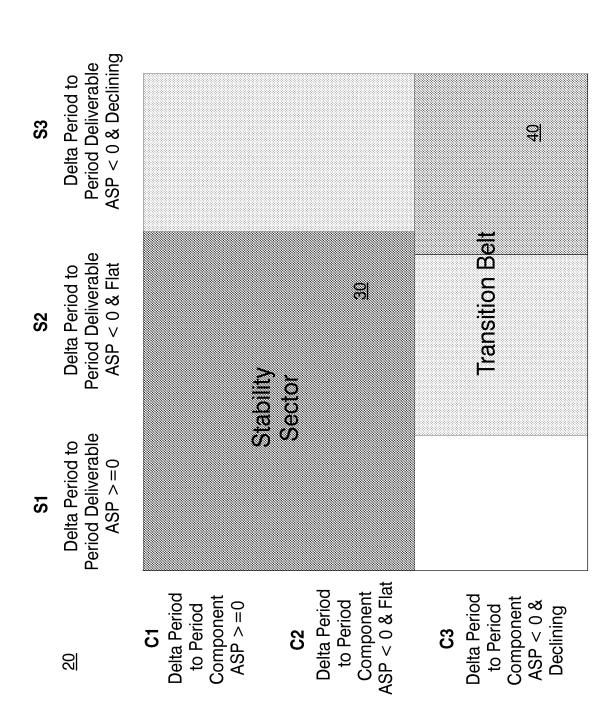
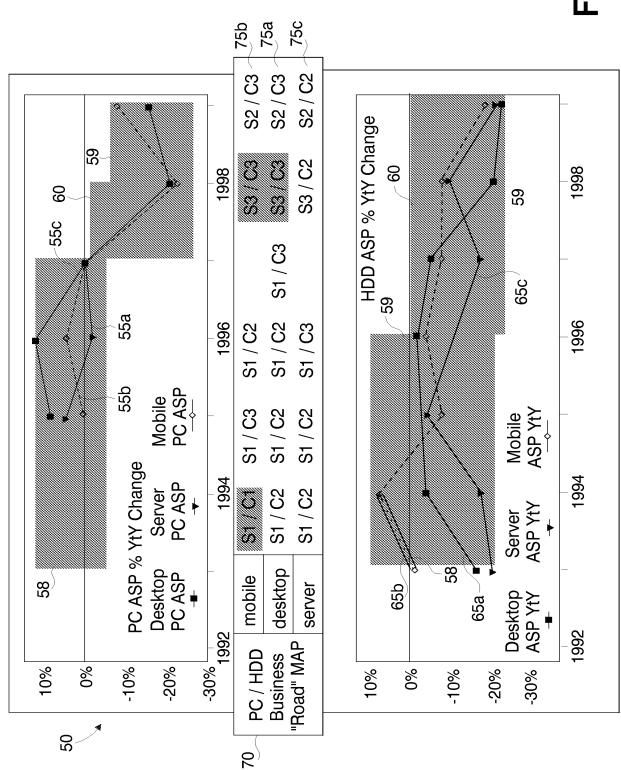


Figure 4

Figure 5



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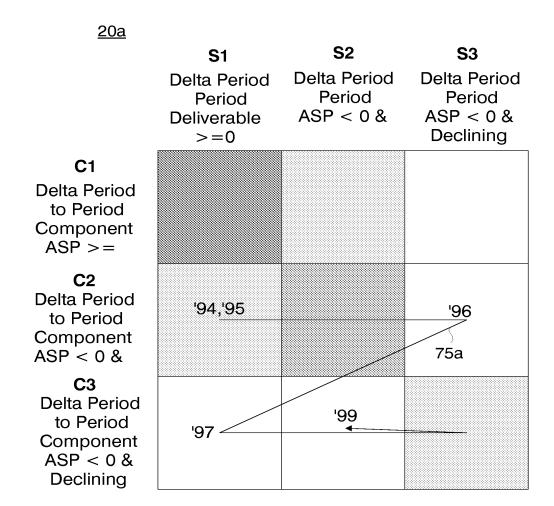


Figure 6(a)

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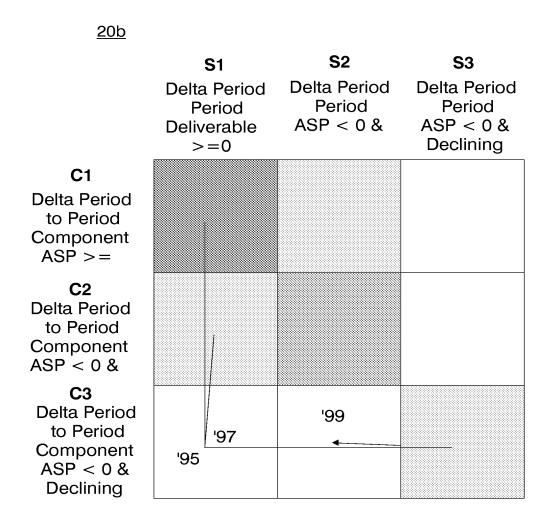


Figure 6(b)

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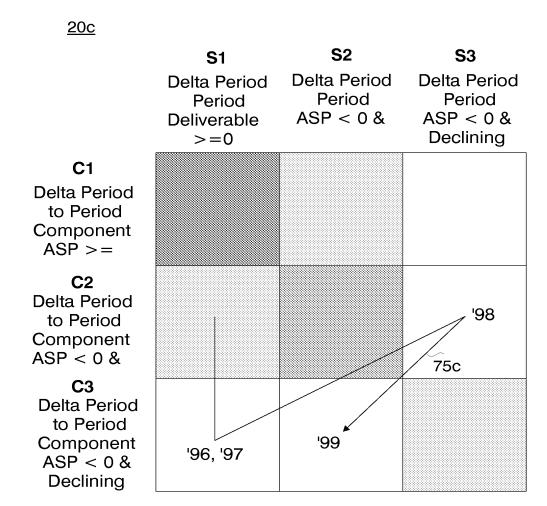


Figure 6(c)

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 Component Action: Drastic cost reductions: This Deliverable Action: Continue focus on new value problem is very serious and needs new thinking Signals PC value collapsed again and HDD has proposition and find new component value little effect on the Deliverable value and business models driver 82c actions and aggressively bolster or broaden Deliverable Action: Take immediate PC cost Compound Action: Maintain Desktop HDD Signal Desktop HDD is holding its value but cost actions and investigate why the the Deliverable value proposition Desktop PC value is Falling rapidly Deliverable value is dropping

82a

၁) (8)

S3 / C2

S1 / C2

S1 / C2

'Road" MAP Business Desktop

1995

1994

75a Signals PC value's stabilizing but 80 80 the HDD value proposition is S2 / C3 1998 virtually nonexistent S3/S3 1997 80b S1/C3 1996

Signals Desktop PC values recovered but HDD Values

are Falling - this is a bad sign that HDD is no longer a key element of the desktop PC value proposition

Deliverable Action: PC swings are too big to be real-

reinvestigate understanding of value proposition

82b

and reset or re commit; Continue cost focus

Component Action: Quickly initiate further HDD cost

actions and revaluate the value proposition to the

Deliverable; Consider new business models and

 Deliverable Action: Continue PC cost actions and value analysis 82d

 Component Action: Immediate HDD value proposition reset; Expand cost initiatives

Figure 7(a)

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75a

S2 / C3

S1 / C3

S3 / C2

S1 / C2

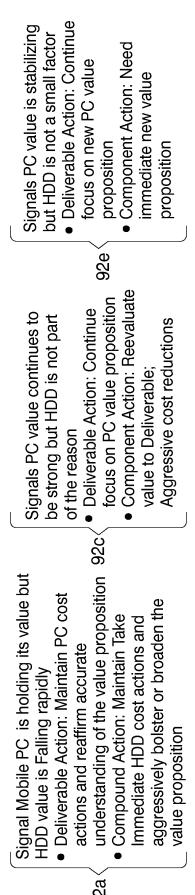
S1 / C2

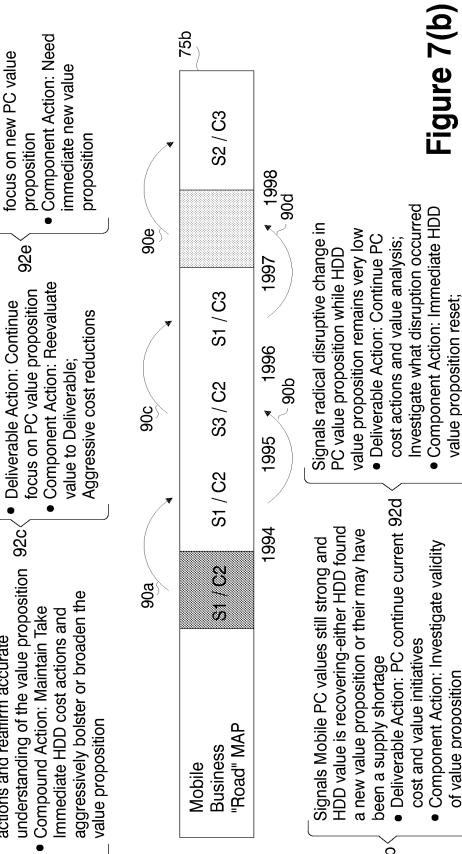
'Road" MAP

Business Desktop

Expand cost initiatives

of value proposition





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75b

S2 / C3

S1/C3

S3 / C2

S1 / C2

S1 / C2

'Road" MAP

Business

Mobile

75a

S2 / C3

S1 / C3

S3 / C2

S1 / C2

S1 / C2

"Road" MAP

Desktop Business

Figure 7(c)

Signals PC value improving while dropping

 Deliverable Action: Continue focus new

Signal server PC is holding its value but server continues to be in trouble

 Deliverable Action: Maintain PC initiatives; accuracy of under-

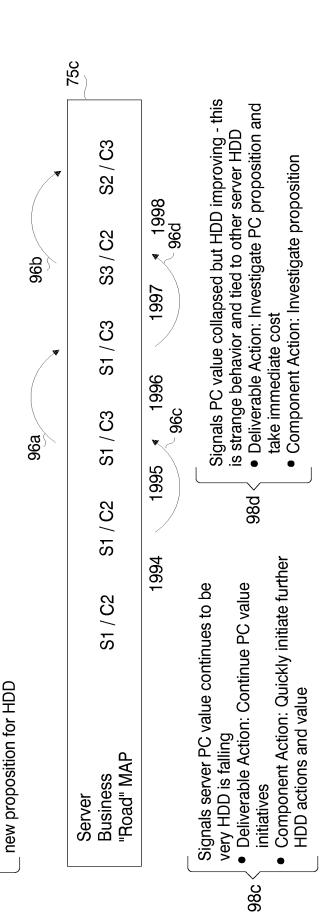
98a

with no new value found

- 98b < value propositions for
- Component Action: Temporary HDD value Look for new Deliverable and proposition

Compound Action: Need immediate

standing of value



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Figure 8(a)

Figure 8(b)

Figure 8

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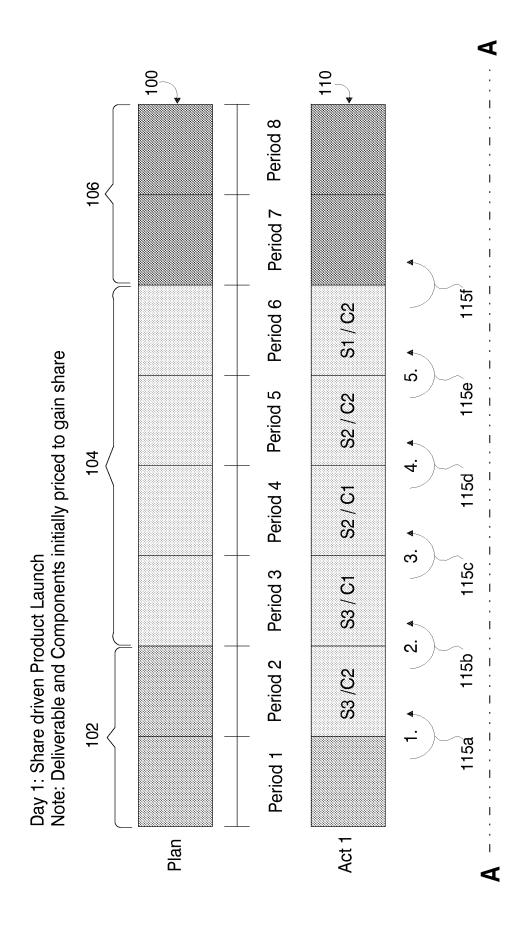


Figure 8(a)

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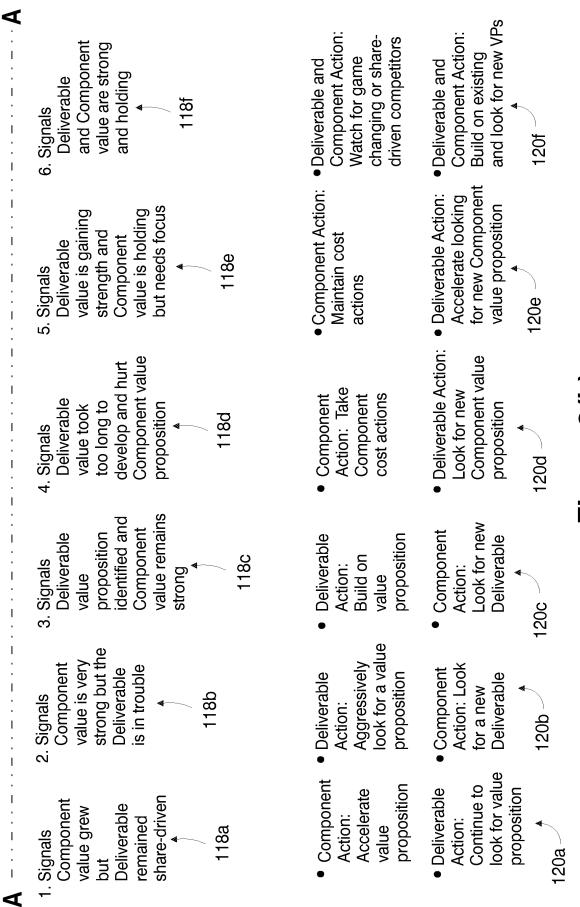


Figure 8(b)

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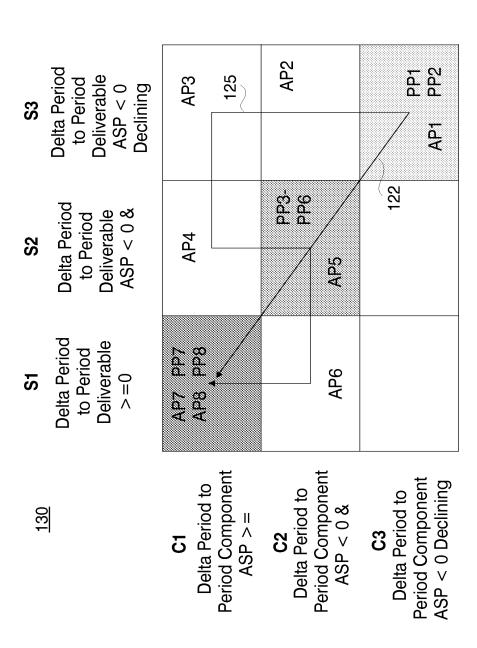


Figure 9

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					I		600000000000000000000000000000000000000	***************************************	
S3	Delta Period to Period Deliverable ASP < 0 & Declining		May be OK - Ranked high	ASP trend above zero	Problem ? -	Ranked high; ASP trend negative	- - - -	Ranked high; ASP trend	IMOD
S 5	Delta Period to Period Deliverable ASP < 0 & Flat	(a))	(N)	(S)) X	<u>D</u>	æ
S	Delta Period to Period Deliverable ASP >=0	r f	Problem // Not ranked high ASP	trend above zero	Problem ? -	Not ranked ASP trend not down		Not ranked; ASP trend	I MOD
	<u>200</u>		C1 Delta Period to	ASP >=0	C2 Delta Period to	Period Component ASP < 0 & Flat	ຮ	Delta Period to Period Component ASP < 0 & Declining	
160	Component Value Proposition Ranking	×	В	Σ	<	O	Z	٥	
150	Deliverable Value Proposition	-	2	က	4	ß	မ	7	

Figure 10

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Assess participation outlook and create action plan to enhance value proposition / cost Assess the component supplier's existing relationship or relationship potential Analyze the Deliverable providers most likely to benefit and rank order them Identify a customer value proposition (ex. broadband to the home)

Deliverable Ranking	Established Value Proposition	Competitive Supplies	Positioned to Deliver Future Value	No Relationship	Action Plan
Deliverable				×	
Deliverable		\times			
Deliverable	×				
Deliverable Provider	×				
Deliverable			\times		
Deliverable			\times		
Deliverable				×	

Figure 11